

Adevinta Ventures



# The future of marketplaces

Initiating a series of reports on marketplaces (check [marketplaces.dealroom.co](https://marketplaces.dealroom.co) for more info)

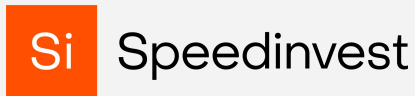
12 May 2021



# Adevinta Ventures

Investing in the future of marketplaces.

Adevinta Ventures is the VC arm of the Adevinta group, a global online classifieds specialist operating leading digital marketplaces in 11 countries. We invest in fast-growing European startups (Series A and B rounds) that can shape the future of mobility, real estate, work and fintech. We also foster collaboration opportunities between our portfolio companies and Adevinta brands.



Game-changing support for early-stage tech founders.

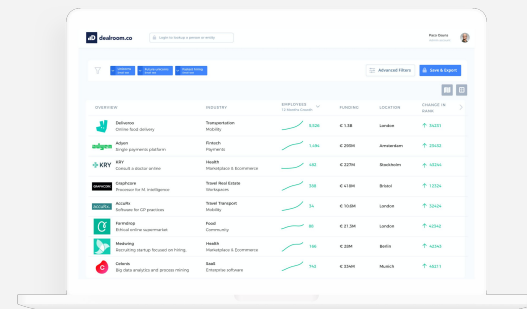
Speedinvest is a European venture capital fund with more than €400M AUM and 40 investors working from Berlin, London, Munich, Paris, Vienna and San Francisco. Employing a focused investment team structure, we fund innovative early-stage technology startups in the areas of Deep Tech, Fintech, Industrial Tech, Network Effects, Digital Health and Subscriptions.



Global startup & venture capital intelligence platform.

Dealroom.co is the foremost data provider on startup, early-stage and growth company ecosystems in Europe and around the globe.

Founded in Amsterdam in 2013, we now work with many of the world's most prominent investors, entrepreneurs and government organizations to provide transparency, analysis and insights on venture capital activity.

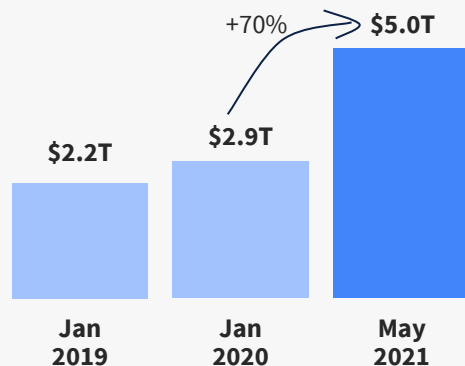


## Marketplace unicorns have grown 70% in value since Jan 2020 to more than \$5T, outperforming tech overall.

Global online marketplace unicorn valuations have grown 70% since Jan 2020 vs. 50% for Nasdaq.

Fashion (+142% value), Food Delivery (+132%) and Digital Health (+120%) have been the highest performing segments in 2020/21.

### Valuation of marketplaces (public + unicorns)

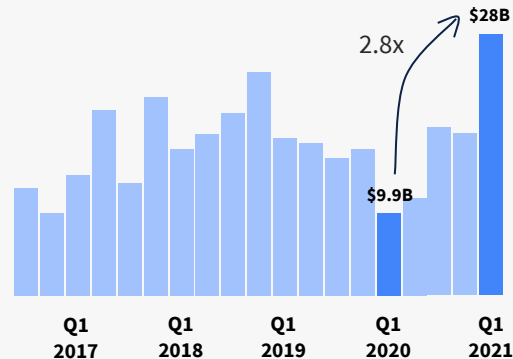


## Record investment for the most ambitious generation of marketplace startups ever.

Online marketplace startups continue to raise billions in funding, across every sector.

Q1 2021 investment tripled year on year to an all-time high of \$28B, with \$12B more already raised in the first 5 weeks of Q2.

### VC funding into marketplace startups



## New startups are building more vertically integrated models, to unlock lucrative new markets.

As of April 2021, more than 370 marketplace unicorns have been created globally, yet the future and models of online marketplaces continue to evolve.

Some of the largest consumer spending categories, like homes, cars and jobs went digital in 2000s, but only on the discovery side - through search and comparison sites.

With vertical integration, embedded finance, and increased consumer online penetration, these segments are about to be transformed by new models of “full stack” online marketplaces, unlocking huge new markets and growth opportunities.

The biggest opportunities for online marketplace still lie ahead.

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Appendix: Learn more about marketplaces



**1**

# **The global acceleration of marketplaces**

# The role of online marketplaces has been amplified.

Back in June 2020, Adeo, Dealroom and Speedinvest [released](#) a report on marketplaces, during the early stages of Covid pandemic. One year later, it's time to take stock.

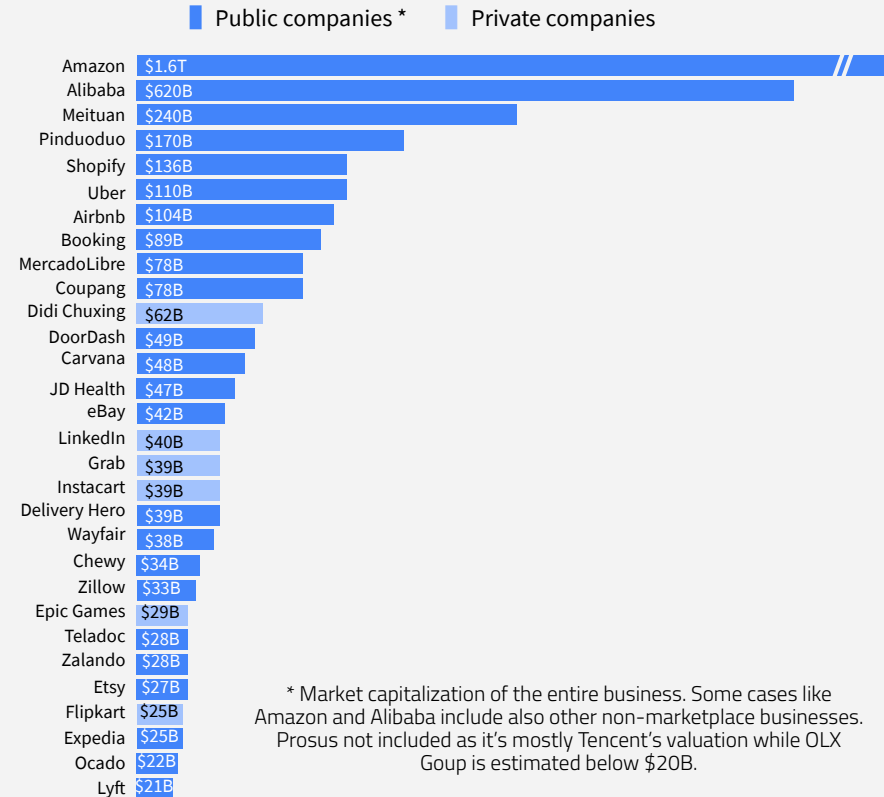
In the last ~15 months there's been a tech-driven bull market, the direction of which was anticipated by many, but the scale by few. The Nasdaq is up 50% since January 2020, now worth \$19 trillion.

In parallel, venture capital is seeing investment records smashed. Tech is now seen as safe asset. Low interest rates result in an abundance of risk seeking capital. But more fundamentally, accelerated digital adoption during the pandemic created tailwinds, resulting in companies beating expectations. And here, marketplaces have benefitted strongly; especially in areas like Food, Digital Health, and eCommerce.

As a result of this acceleration, there are now **30 known marketplaces worth \$20 billion or more**, with the world's top marketplaces (public companies and private unicorns) worth a combined \$5 trillion.

This report looks at which models are winning, where global growth is happening, and what trends are coming down the road.

## The world's most valuable marketplaces



Source: Dealroom.co. Analysis of Google Finance data.

# Public and private unicorn marketplaces have accelerated, growing by 70% in value since Jan 2020 from \$2.9 to \$5.0 trillion, outpacing even the Nasdaq.

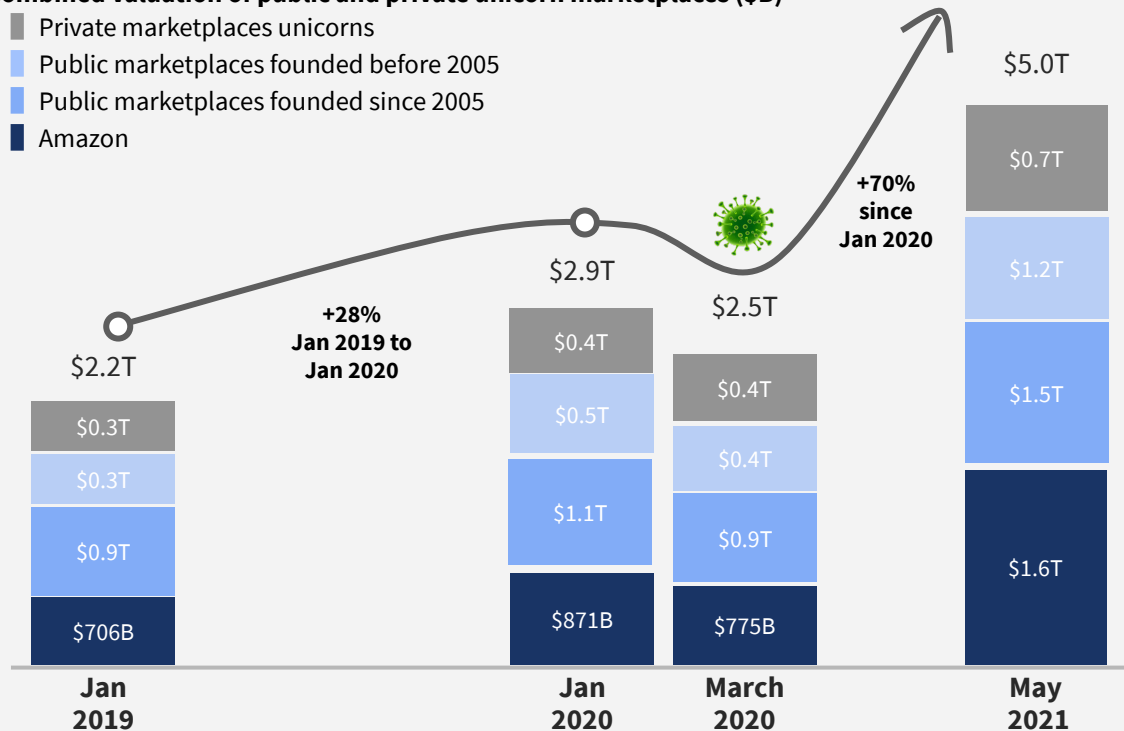
## Combined valuation of public and private unicorn marketplaces (\$B)

Private marketplaces unicorns

Public marketplaces founded before 2005

Public marketplaces founded since 2005

Amazon



Examples:

+62%



+160%



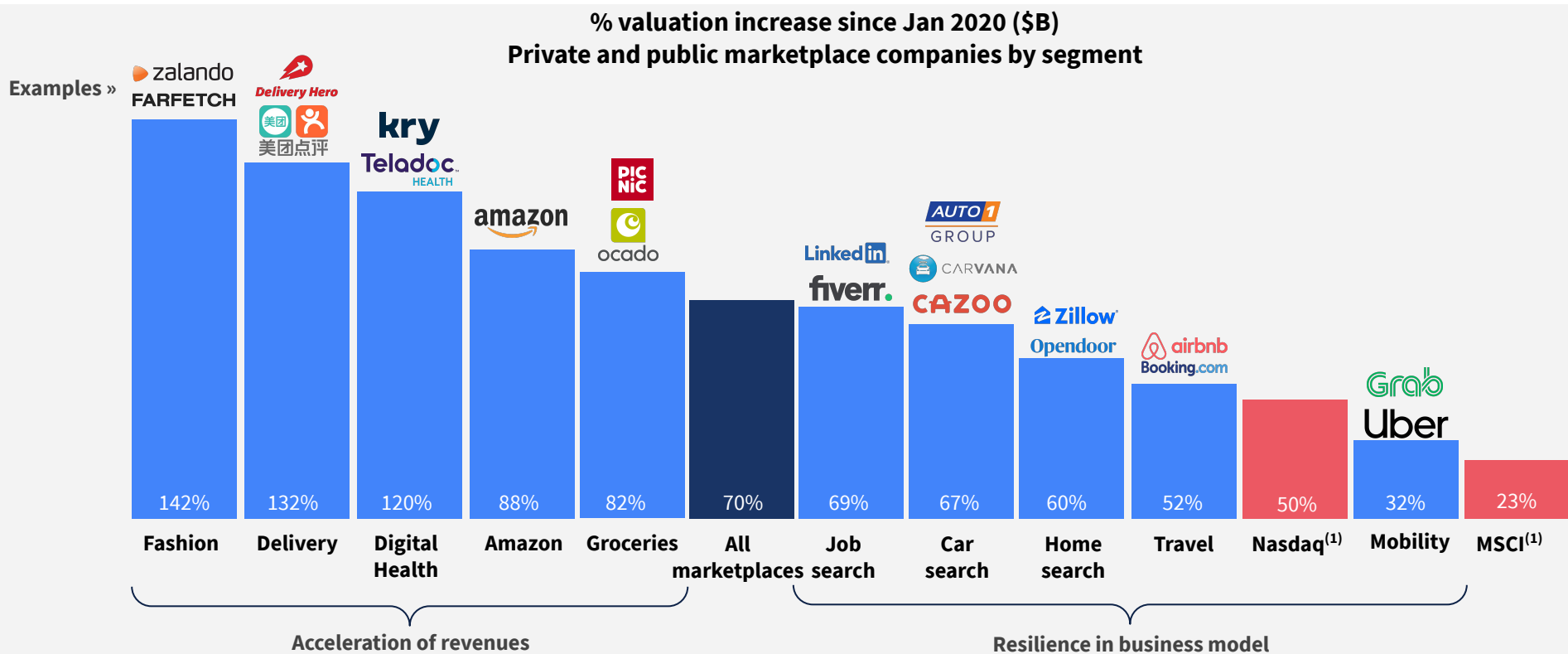
+36%






+82%



# Marketplaces also outperformed the wider tech sector, with food and grocery delivery, health and fashion driving this growth.



## Public marketplaces - driven by accelerated adoption - beat initial revenue forecasts, leading to significant upticks in valuations.

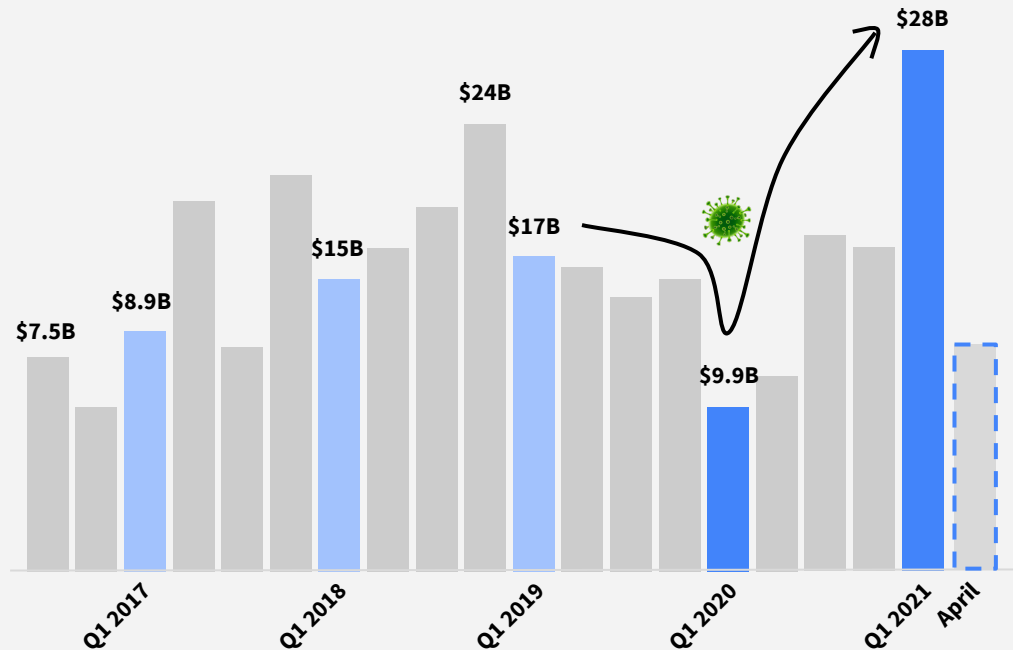
Company	May 2021 Market cap (€B)	% valuation increase since Jan 2020	Expected 2020 revenue growth in Jan 2020	Actual 2020 revenue growth in May 2021
<b><i>Delivery Hero</i></b>	\$37B	+76%	75%	108%
 zalando	\$27B	+83%	20%	25%
 ocado	\$21B	+52%	19%	31%
<b>FARFETCH</b>	\$16B	+155%	50%	67%
 <b>HELLO FRESH</b>	\$15B	+241%	22%	106%

**2**

**Record venture capital investment**

Similar trends were also seen in the private markets, with venture capital in Q1 2021 smashing the all-time investment record, and growing nearly 3x over Q1 2020.

Global VC investment in marketplaces



Majority of deals are full-stack models, logistics and last-mile delivery.

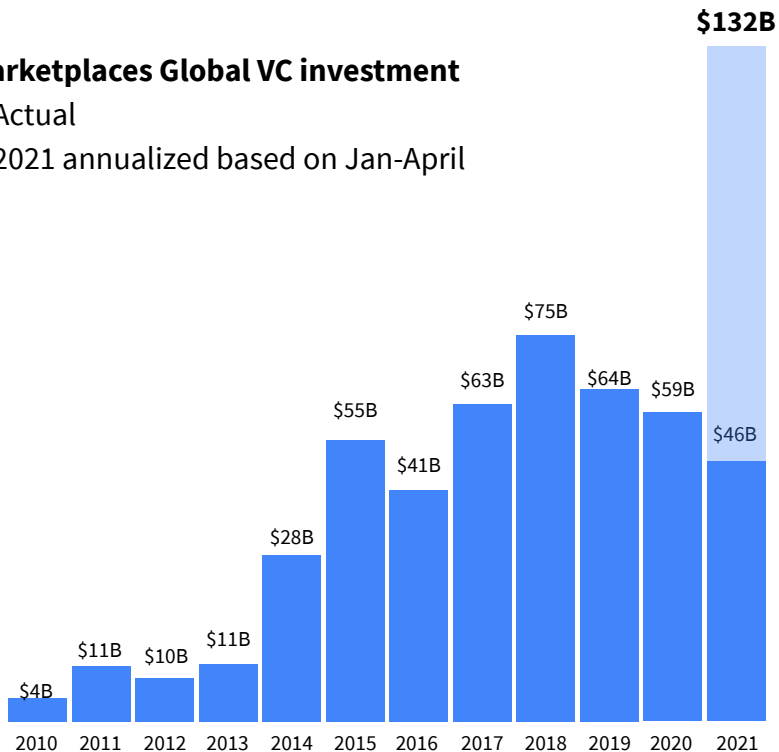
<b>Glovo</b> \$528M	<b>Wolt</b> \$530M	<b>GORILLAS</b> \$290M
<b>BYJU'S</b> The Learning App \$460M	<b>goPuff</b> \$1.2B	<b>loft</b> \$425M
<b>微医</b> THE DOCTOR \$400M	<b>CAZOO</b> \$800M	<b>getir</b> \$300M
<b>TravelPerk</b> \$160M	<b>kry</b> \$312M	<b>GoStudent</b> \$82M

**At the current pace, 2021 investment into marketplaces would more than double from \$59B to \$132B.**

### Marketplaces Global VC investment

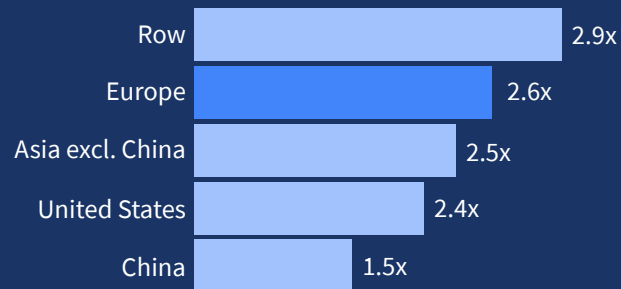
■ Actual

■ 2021 annualized based on Jan-April



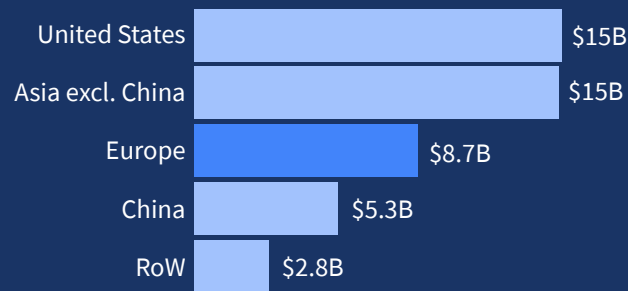
### VC investment in marketplaces by destination \*

Jan-May 2021 vs Jan-May 2020



### 2021 VC investment by destination \*

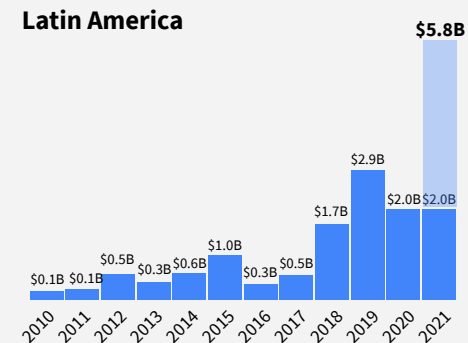
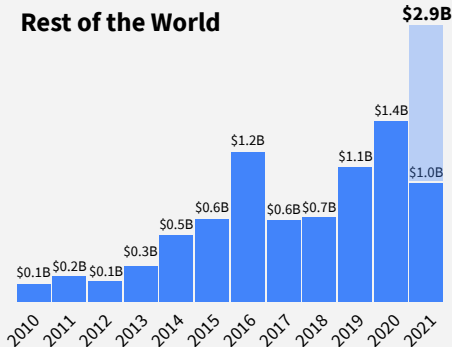
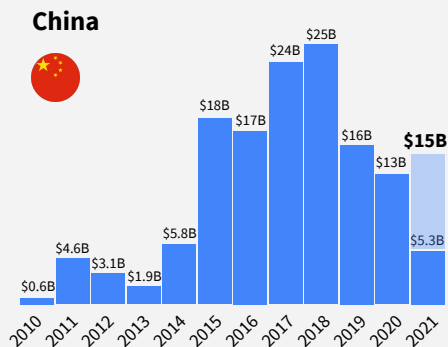
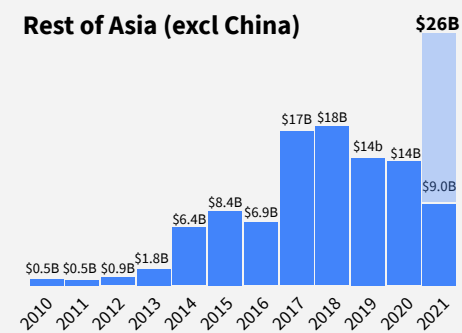
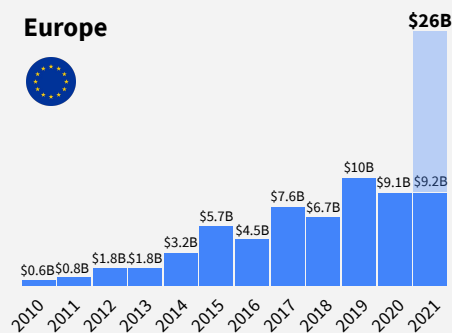
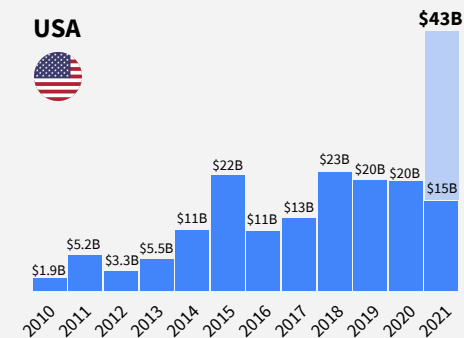
Jan-May 2021





# Nearly all regions are seeing rapid growth in VC investment into marketplaces.

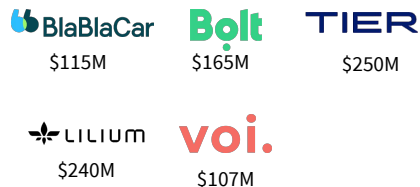
Marketplaces VC investment by destination 2021 annualized based on Jan-April



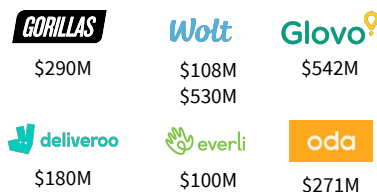
# In Europe super-rounds picked up after Q1 2020.

Select rounds above \$50M since January 2020

## Mobility



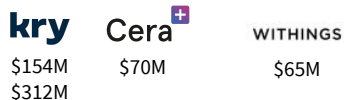
## Meal and grocery delivery



## Clothes and Accessories



## Digital health



## Education



## Travel



## Lending



## Horizontal



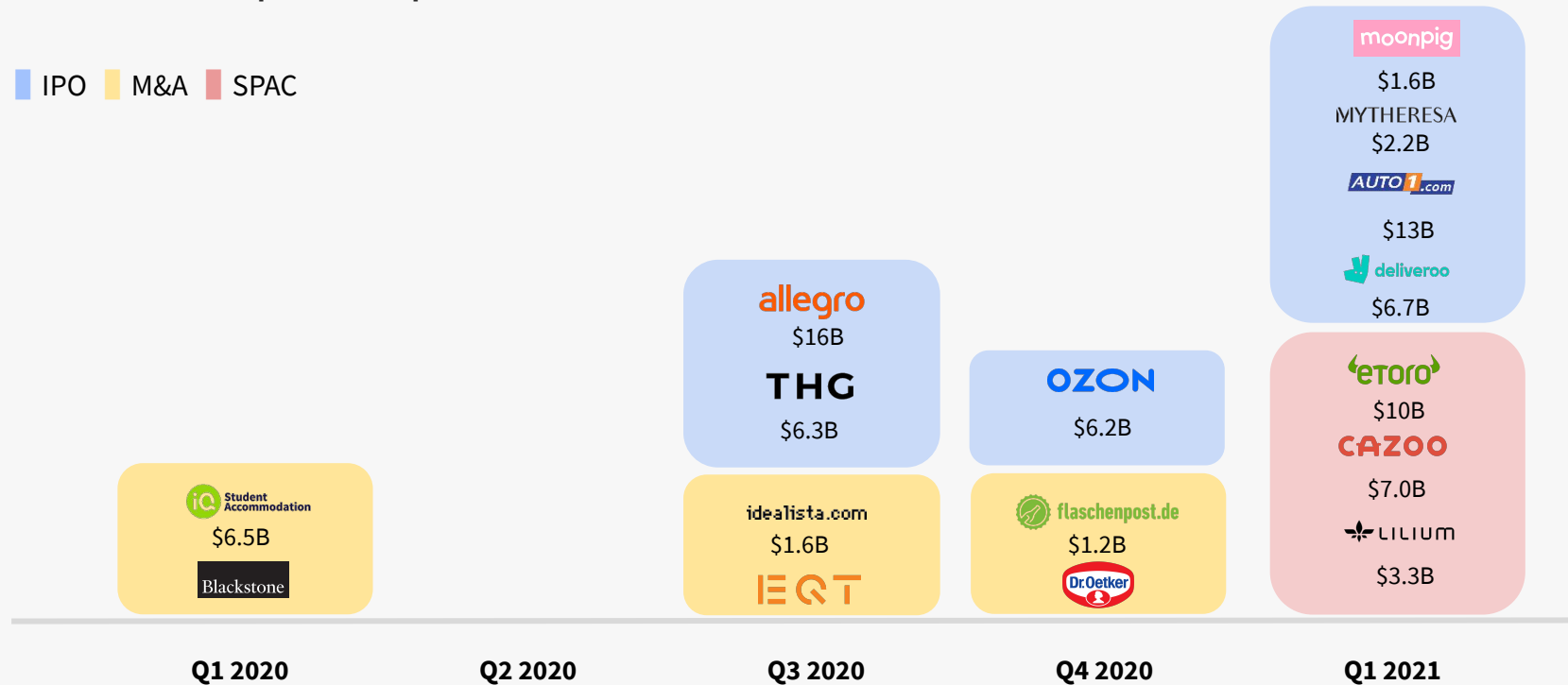
## Home search



# There have been several billion dollar marketplace exits for investors, via IPO, M&A, and SPACs.

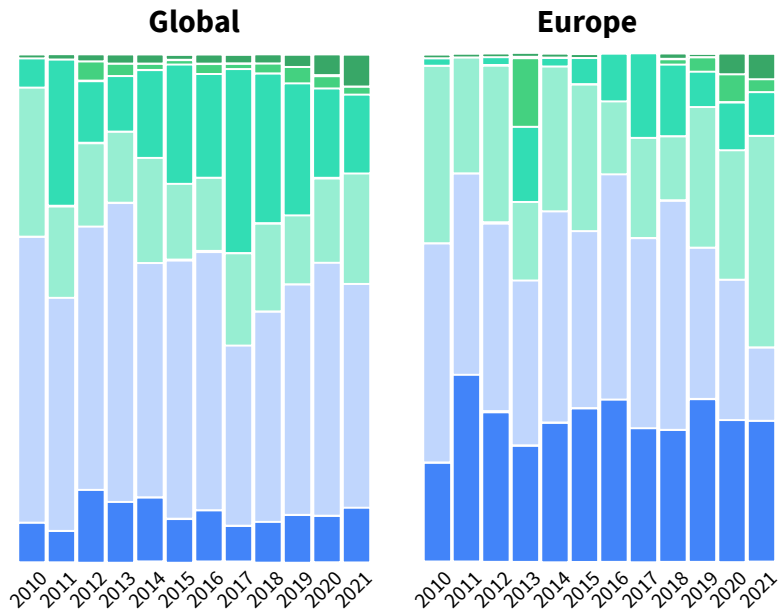
## M&A and IPOs of European marketplaces

■ IPO ■ M&A ■ SPAC



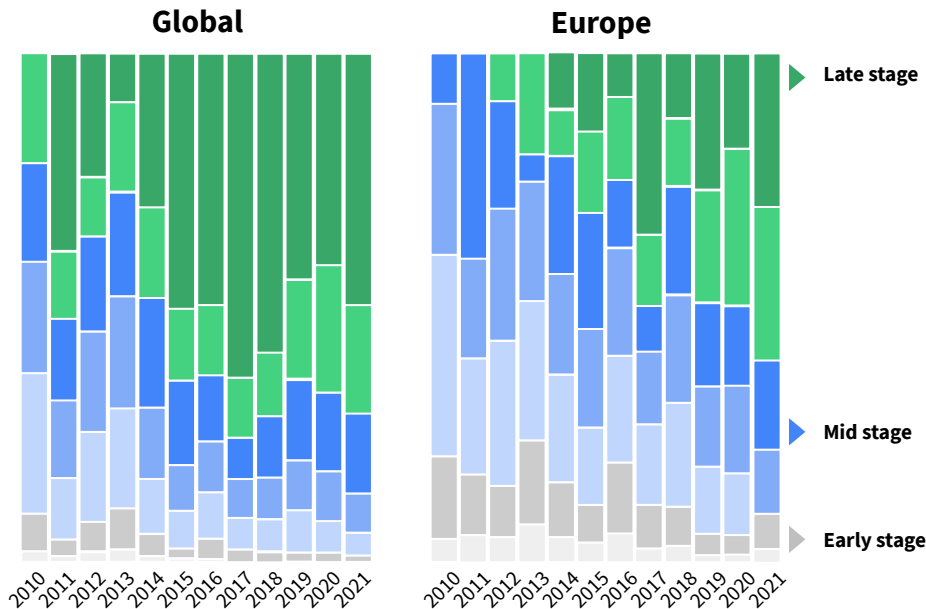
**Venture capital has become more global,  
especially more flows from USA and Asia into  
European marketplaces.**

**Venture capital amount invested from**  
 Europe Domestic USA Asia RoW Unknown HQ



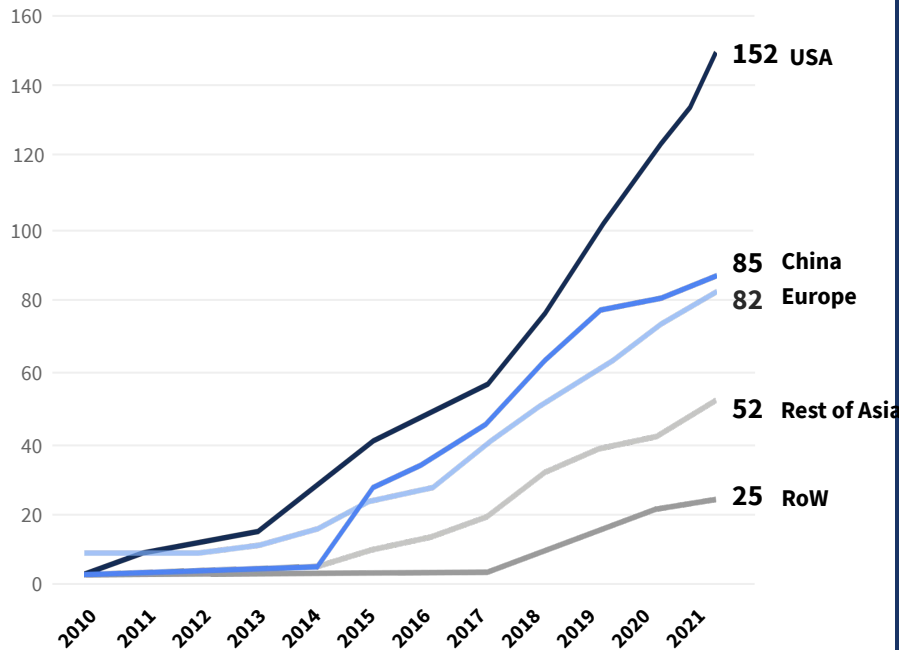
**Globally and in Europe, venture is trending  
towards bigger rounds. Europe is still slightly  
behind the curve in terms of super rounds.**

**Number of VC rounds in marketplaces**  
 \$0-1m \$1-4m \$4-15m \$15-40m \$40-100m \$100-250m \$250



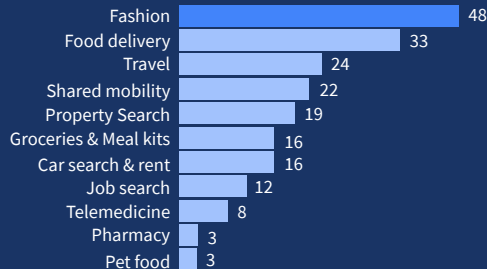
# There's been an explosion of marketplace unicorns globally.

## Marketplace companies reaching \$1B valuations

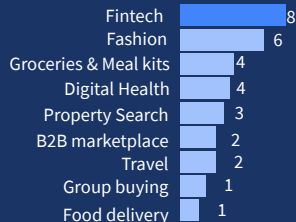


## Marketplace unicorns and \$1B+ exits

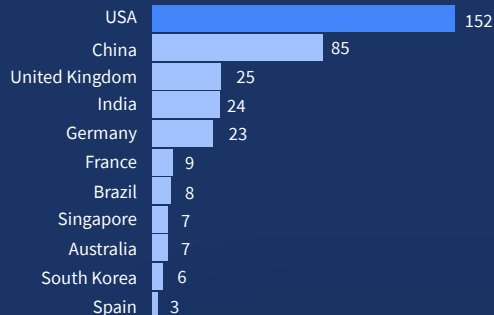
### Cumulative 1990-today



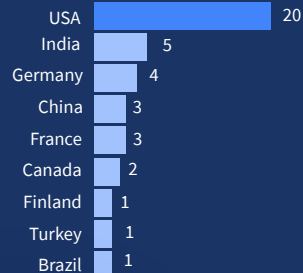
### New unicorns in 2021



### Cumulative 1990-today



### New unicorns in 2021

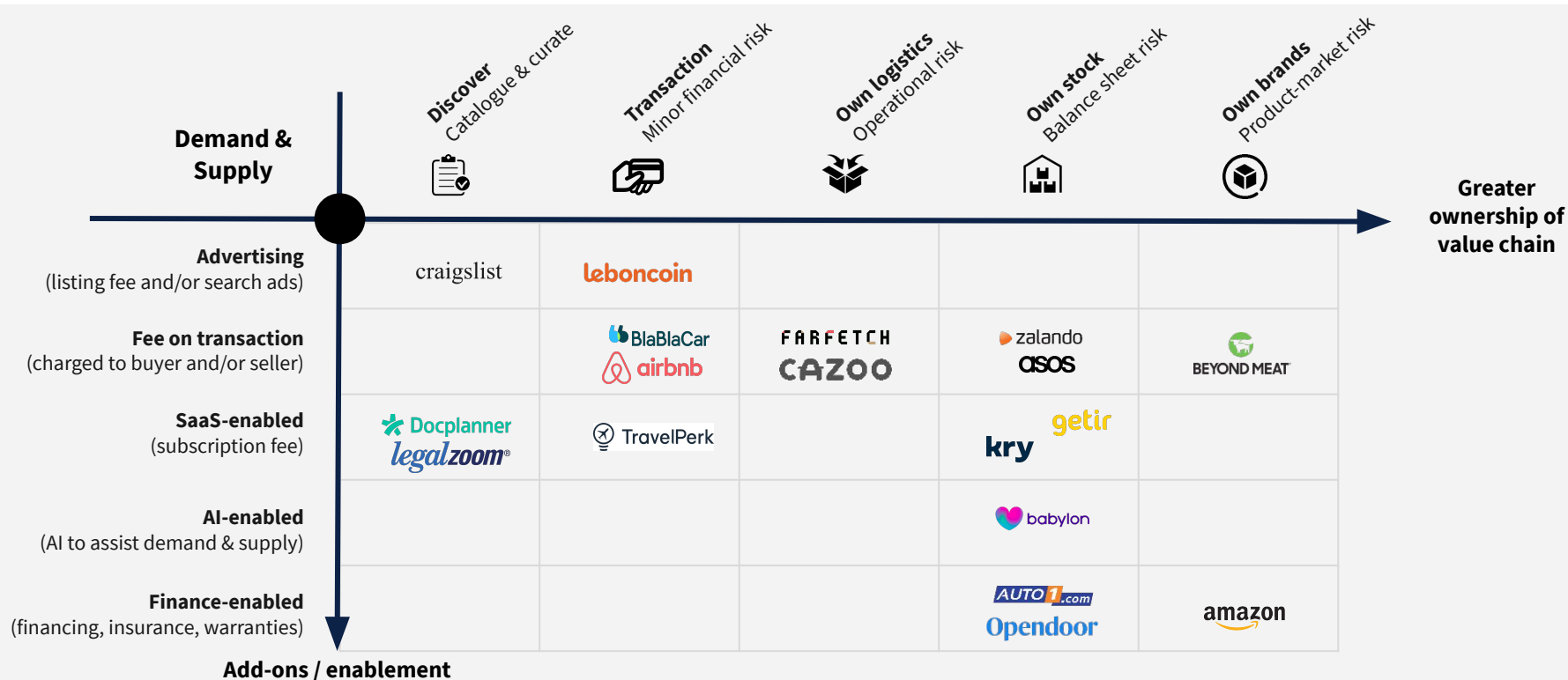


[View all marketplace unicorns](#)

# 3

## Vertical integration and enablement

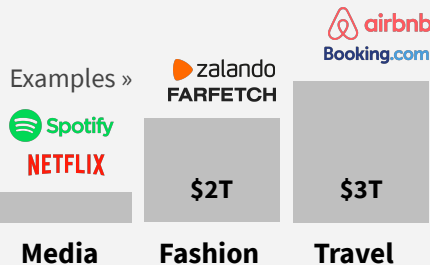
# Innovation essentially happens into two directions: greater ownership of the value chain and enablement with other products.



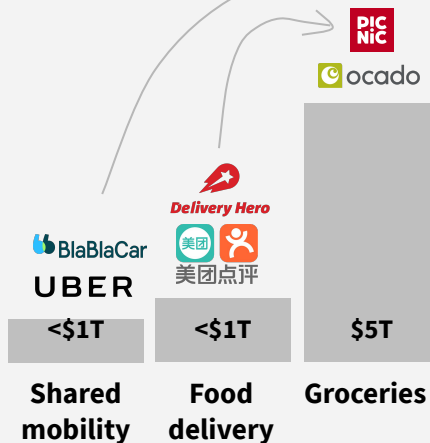
# Marketplaces are going after ever bigger markets, enabled by new models. Embedded finance is another “virtual last mile” to unlock much larger markets.

## Global consumer market size \*

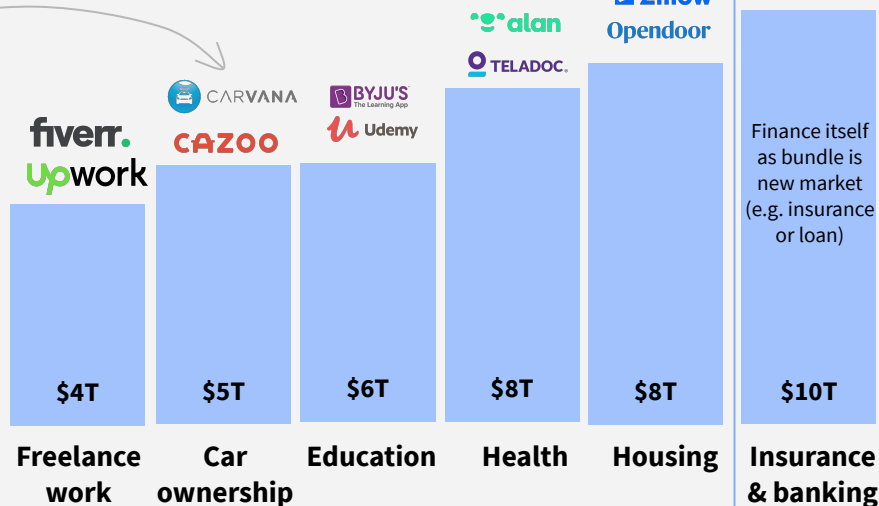
Early adopter markets that were enabled by the web itself



Markets that were enabled by smartphone adoption and increasingly last-mile logistics


















Markets where significantly more value can be created by embedding finance into the marketplace













# What's next: launching a series of reports, exploring new marketplace models starting with fintech enabled marketplaces. Stay tuned!

Fintech-enabled marketplaces	B2B Marketplaces	Responsible consumption	New homeownership models	Regulated services
 <b>kodit.io</b> Online real estate brokerage making instant cash offers.	 <b>CONVOY</b> Connecting shippers with carriers online.	 <b>FoodMaven</b> Prevents waste by selling high-quality local, imperfect and oversupplied food.	 <b>Divvy</b> Rent your future home while you save for a down payment.	 <b>MEDWING</b> Hire and retain staff in the healthcare industry.
 <b>CAZOO</b> Online car retailer that offers instant buying, insurance and subscription.	 <b>Choco</b> Connecting restaurants with suppliers online.	 <b>refurbed</b> Refurbished electronics marketplace.	 <b>FLEQ</b> Co-own your home with option to increase equity ownership over time.	 <b>workrise</b> Training and job placement in heavy industries (construction, oil & gas, defense and energy)
 <b>AGRO.CLUB</b> Marketplaces for agriculture inputs.	 <b>YardLink</b> A marketplace for construction equipment.	 <b>Otrium</b> Sell excess clothes & footwear inventory.	 <b>VIRGIL</b> Co-invests with home buyers.	 <b>.planetly</b> Compliance and carbon management platform.

**A**

## **Appendix: learn more about marketplaces**

# What is a marketplace? What is a “full-stack” marketplace?

	Demand 	Customer acquisition 	Listings 	Transaction incl. payment 	Logistics & software tools 	Own inventory 	Production 	Supply 
Traditional marketplace	Listings	<ul style="list-style-type: none"> <li>✓ Asset light, profitable</li> <li>□ Low revenue per user</li> </ul> <b>leboncoin</b> OLX GROUP						Homes, cars, jobs, horizontal
	Transactional marketplaces	<ul style="list-style-type: none"> <li>✓ Still asset light, higher take-rate</li> <li>□ Possible long-term strategic disadvantage</li> </ul> <b>depop</b> <b>airbnb</b> <b>Booking.com</b> <b>JUST EAT</b> <b>Upwork</b>						Travel, delivery, freelance
New age marketplace	Full-stack marketplace	<ul style="list-style-type: none"> <li>✓ Control over user-experience</li> <li>□ Operational risk, requires market density</li> </ul> <b>UBER</b> <b>deliveroo</b> <b>CAZOO</b> <b>FARFETCH</b> <b>Glovo</b> <b>FLIXBUS</b>						On-demand services
	Market maker (iBuying)	<ul style="list-style-type: none"> <li>✓ Create new supply, verify quality</li> <li>□ Capital intensity &amp; risk, requires homogenous market</li> </ul> <b>kodit.io</b> <b>nested</b> <b>GOAT</b> <b>AUTO1.com</b> <b>Opendoor</b>			Temporary trade on the books			Homes, cars, jobs, products
Competing B2C models	eCommerce	<ul style="list-style-type: none"> <li>✓ Same-day delivery of goods, control over user experience</li> <li>□ High capital intensity, low margins</li> </ul>			<b>asos</b> <b>PICNIC</b> <b>ocado</b> <b>zalando</b> <b>amazon</b>			Fashion, groceries
	Direct-to-consumer	<ul style="list-style-type: none"> <li>✓ Own entire product identity / experience / sometimes with physical stores</li> <li>□ High capital intensity, limited assortment</li> </ul>			<b>N26</b> <b>allbirds</b> <b>HARRY'S</b> <b>BEYOND MEAT</b> <b>WARBY PARKER</b> <b>sweetgreen</b>			Cosmetics, food, banking, wellness, lifestyle, eyewear

# Where are we in the evolution of marketplaces?

The first generation of online marketplaces translated town squares and bulletin boards into eBay and Craigslist. A recognisable online migration.

But marketplaces have evolved more in the last 20 years than in the previous 200.

Newer models like Uber and Cazoo have actually made the "marketplace" less visible to the consumer, reducing transaction complexity.

With every iteration, the overarching trend has been to remove friction and unlock new markets. In doing so, marketplaces are becoming more "full-stack", vertically integrating from shop front and transaction to delivery and aftercare.

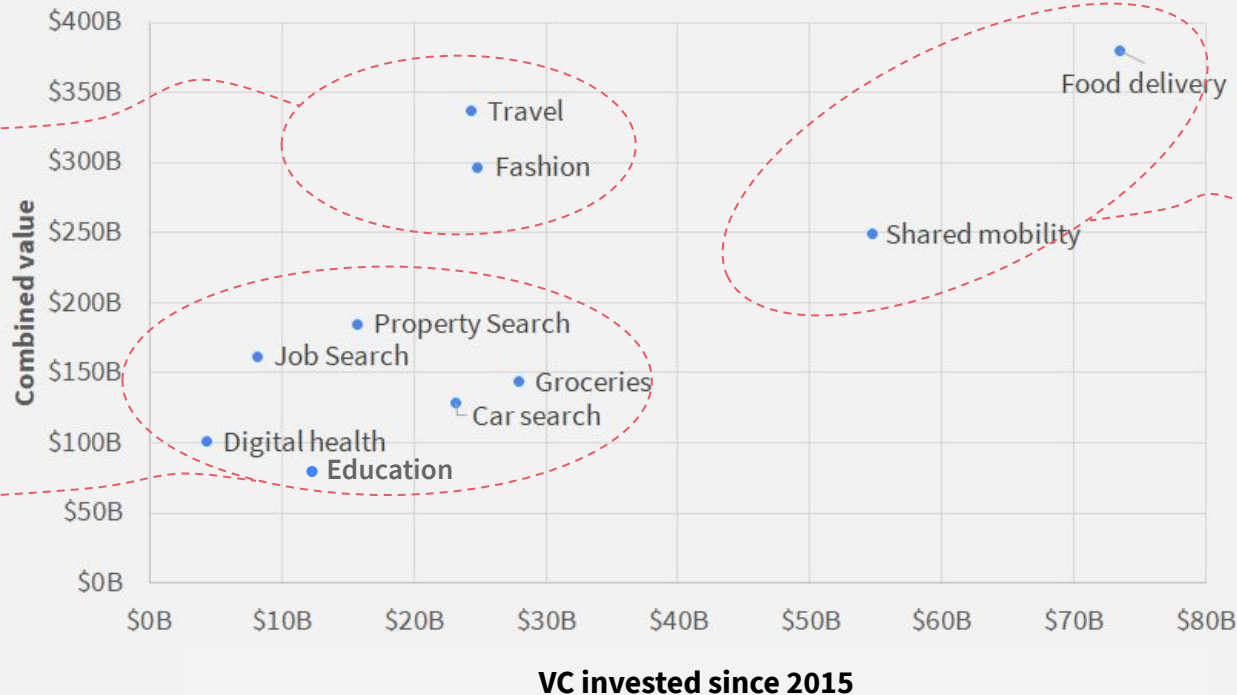
While asset light models like Craigslist have proved resilient with the defensibility of high liquidity, full-stack scale efficiencies, combined with an abundance of cheap capital, have led to a rise in asset heavy models in recent years.

						New models?
New models						
Managed marketplaces						
On-demand						
Transactional						
Vertical specialists						
Supply aggregators						
	1990s	2000s	2005-2010	2010-2015	2015-2018	2019+







































## Different segments are at vastly different stages of development, and can broadly be split into three categories.

Travel and fashion were digitally enabled by the web itself, thus more asset-light and more capital efficient. Farfetch is innovating with new logistics model.

Jobs, cars and properties 1.0 was about search. 2.0 is about taking a bigger role in the transaction through embedded finance. Digital health and groceries are the next big markets.



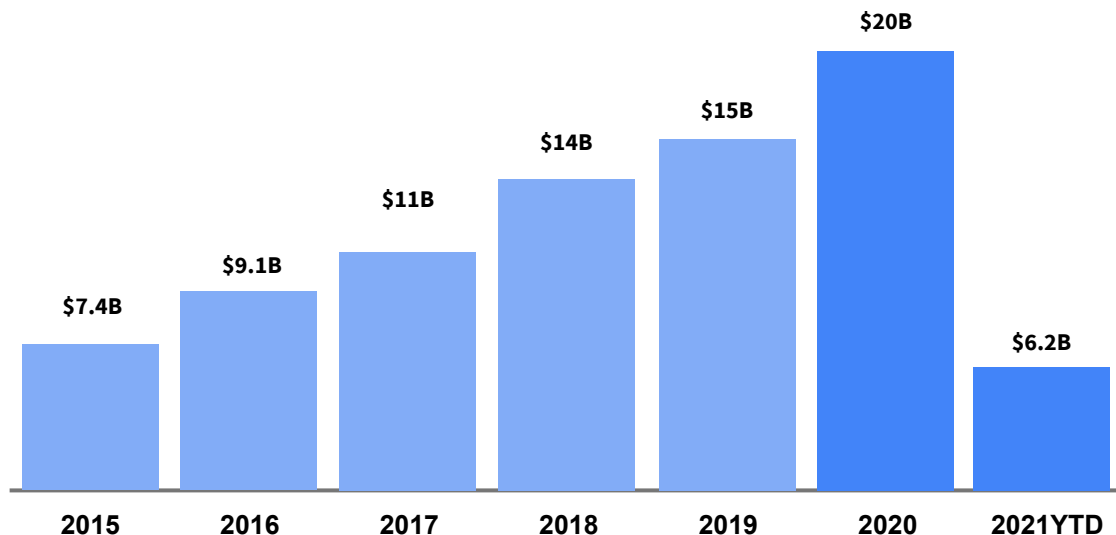
# Abundance of venture capital emboldens asset-heavier models.

Asset-lighter			Asset-heavier	
 Takeaway.com  Delivery Hero		Food delivery	 deliveroo  DOORDASH	
 Avito  coches.net		Used cars	 AUTO1.com  CAZOO  CARVANA	
 FREE NOW		Mobility	 UBER  TIER	
 fuboTV  YouTube		Media	 NETFLIX  Spotify	
 Money Super Market  Lendo		Banking	 Revolut  monzo  N26	
 Docplanner		Healthcare	 KRY	
 fotocasa		Housing	 Opendoor  kodit.io	
 Booking.com  airbnb		Travel	 OYO  SONDER	
 InfoJobs  upwork		Jobs	 MEDWING  Lambda	
 Vinted  depop		Second-hand fashion	 RENT THE RUNWAY  GOAT	




Inspired by a slide from Sonali de Rycker (Accel Partners) presented at the Marketplaces Conference 2018

# Record amounts of dry powder in Europe, including mega funds with focus on marketplaces.

## Fundraising by European venture capital investors



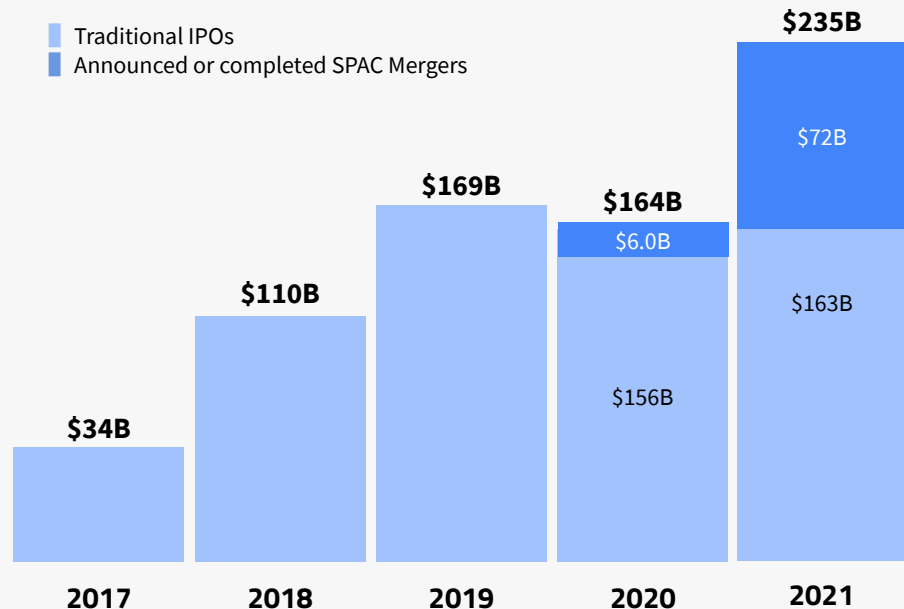
## Select new funds in 2020 and 2021

 Speedinvest	 SAMAIPATA	 Point Nine THE ANGEL VC
\$230M	\$110M	\$110M
 LocalGlobe	 STRIDE	 MOONFIRE
\$159M	\$144M	\$60M
 endeit	 TARGET GLOBAL	 HIGHLAND EUROPE
\$304M	\$330M	\$770M
 felix CAPITAL	 HV CAPITAL	 octopus ventures
\$300M	\$620M	\$136M

[View all new funds](#)

# Public marketplaces and IPOs are hot.

## Aggregate Enterprise Value of IPOs and SPACs

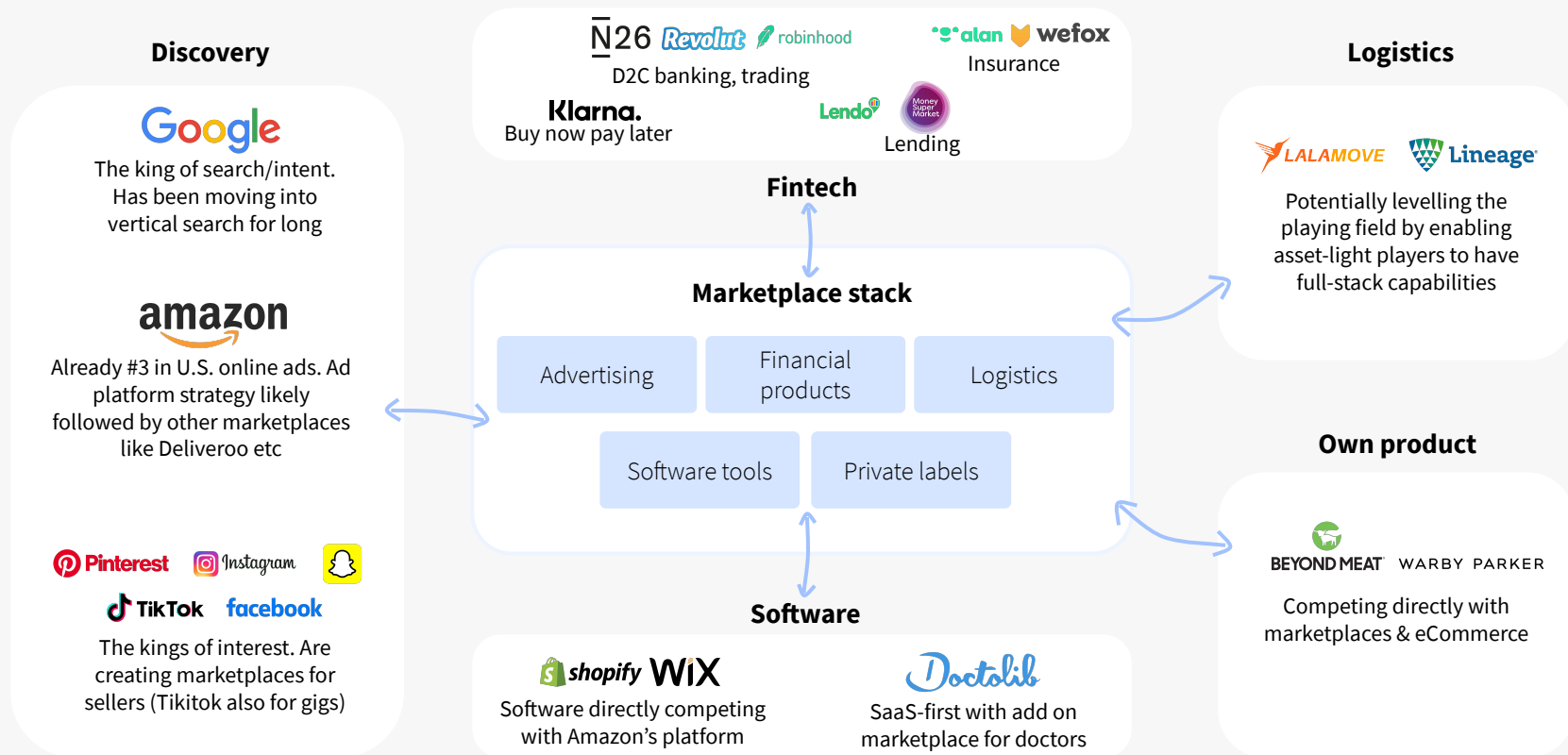


## IPOs & SPACs of marketplaces

<b>Deliveroo</b>	IPO	\$6.7B	Mar 2021
<b>Auto1</b>	IPO	\$12B	Feb 2021
<b>Wish</b>	IPO	\$8B	Dec 2020
<b>Allegro</b>	IPO	\$16B	Sep 2020
<b>Coupang</b>	IPO	\$78B	Mar 2021
<b>GoodRx</b>	IPO	\$15B	Sep 2020
<b>GoHealth</b>	IPO	\$4B	Jul 2020
<b>Hims &amp; Hers</b>	SPAC	\$2B	Jan 2021
<b>Airbnb</b>	IPO	\$106B	Dec 2020
<b>DoorDash</b>	IPO	\$49B	Dec 2020
<b>Cazoo</b>	SPAC	\$7.0B	Mar 2021
<b>Grab</b>	SPAC	\$39.6B	Apr 2021
<b>TalkSpace</b>	SPAC	\$1.4B	Jan 2021
<b>Lilium</b>	SPAC	\$3.3B	Mar 2021

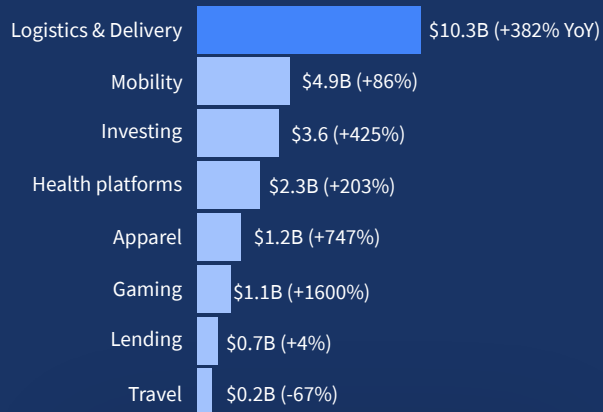


# The broader marketplace & ecommerce ecosystem is increasingly connected.

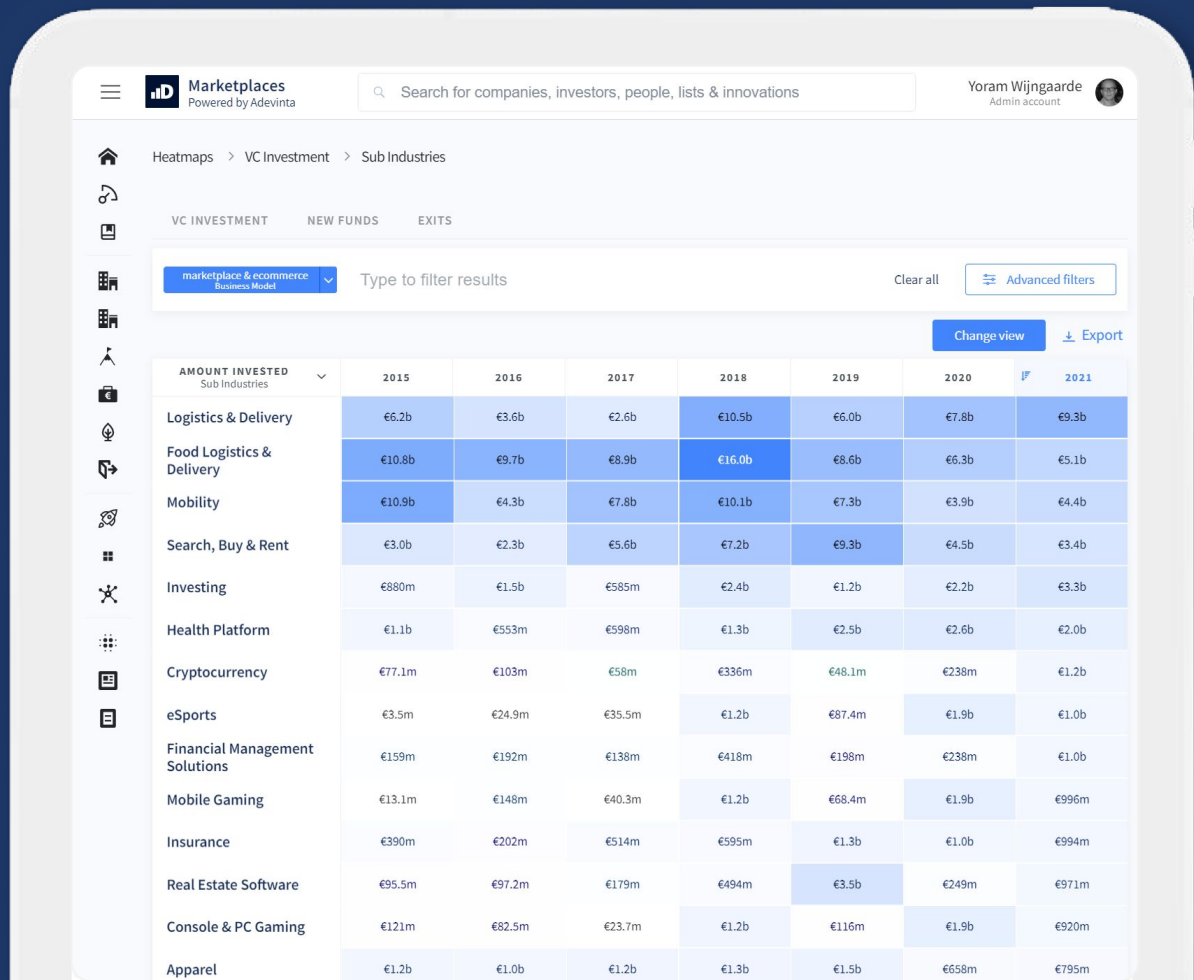


# Venture capital investment into Marketplaces by segment.

## Venture capital Jan-April 2021

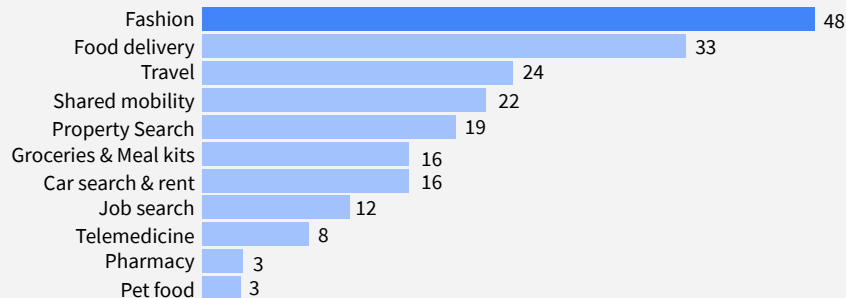


Explore data

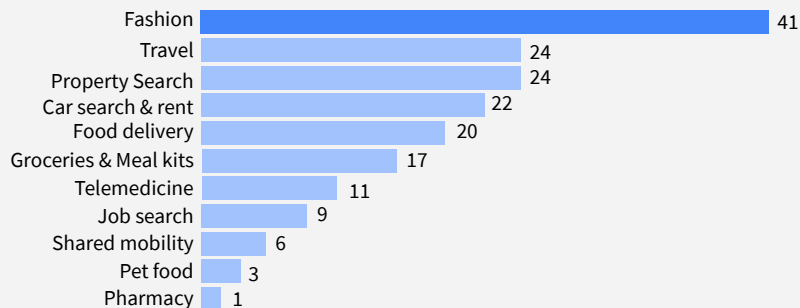


**Fashion is the leading segment, by the number of unicorns and \$1B exits as well as future unicorns.**

**Cumulative number of unicorns and \$1B exits**



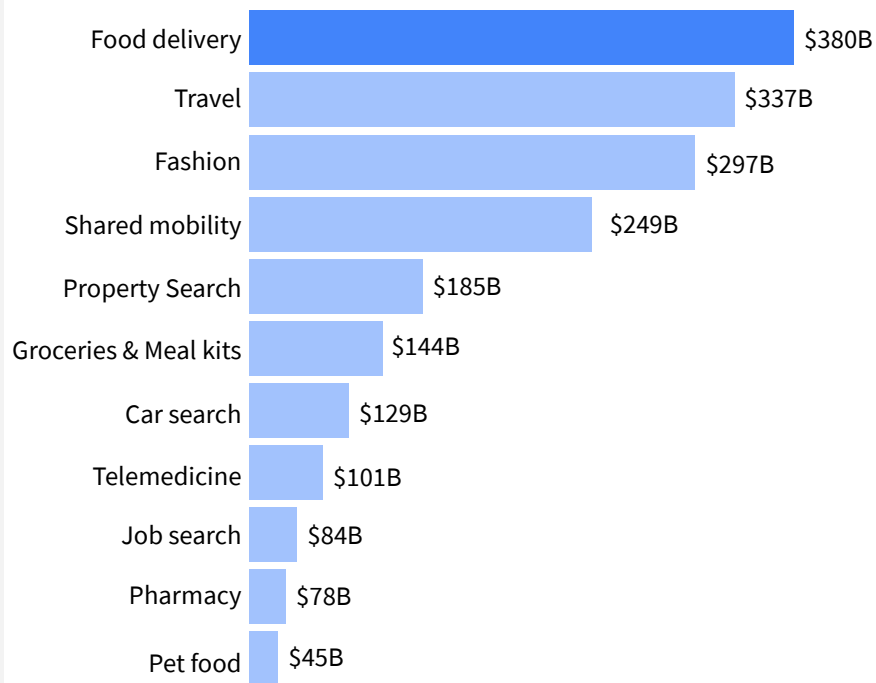
**Cumulative number of future unicorns**



Source: Dealroom.co

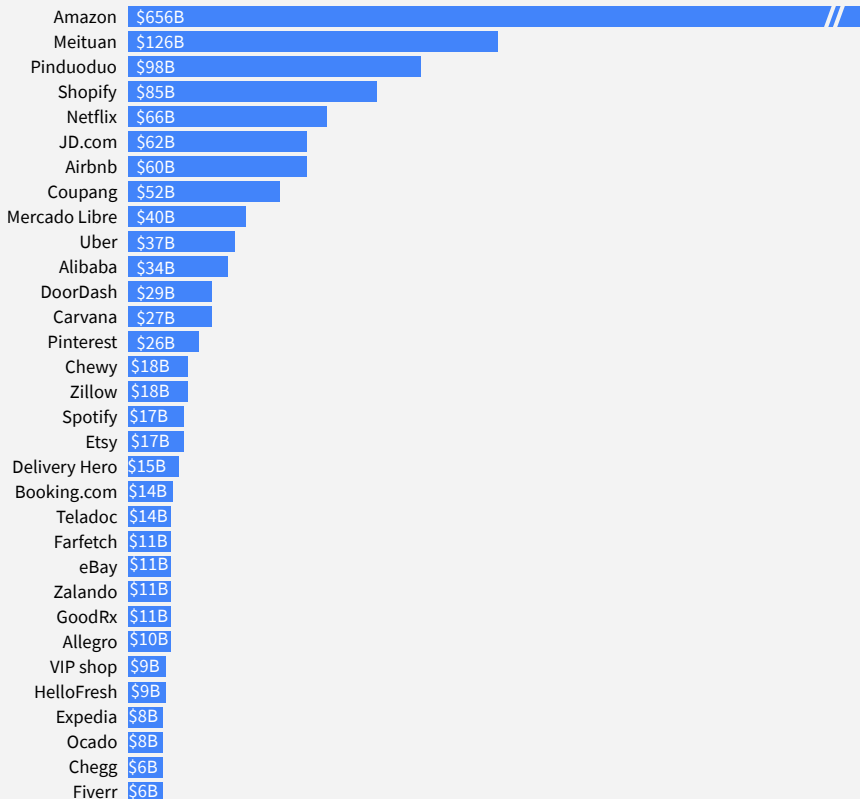
**Food delivery and travel are the largest segments, by combined enterprise value**

**Cumulative value of unicorns and \$1B exits**



## The biggest growers by absolute.

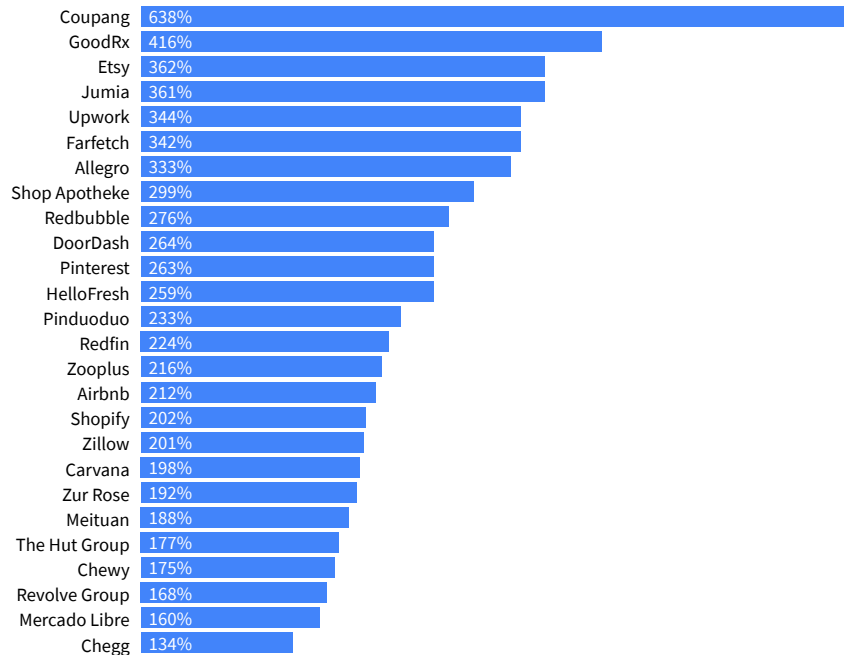
### Market capitalization absolute growth since January 2020



Source: Dealroom.co

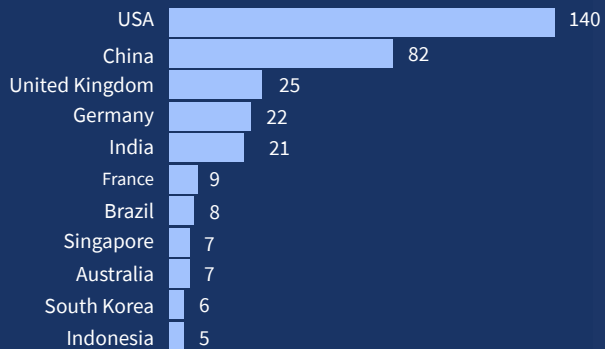
## The fastest growers, relative.

### Market capitalization relative growth since January 2020

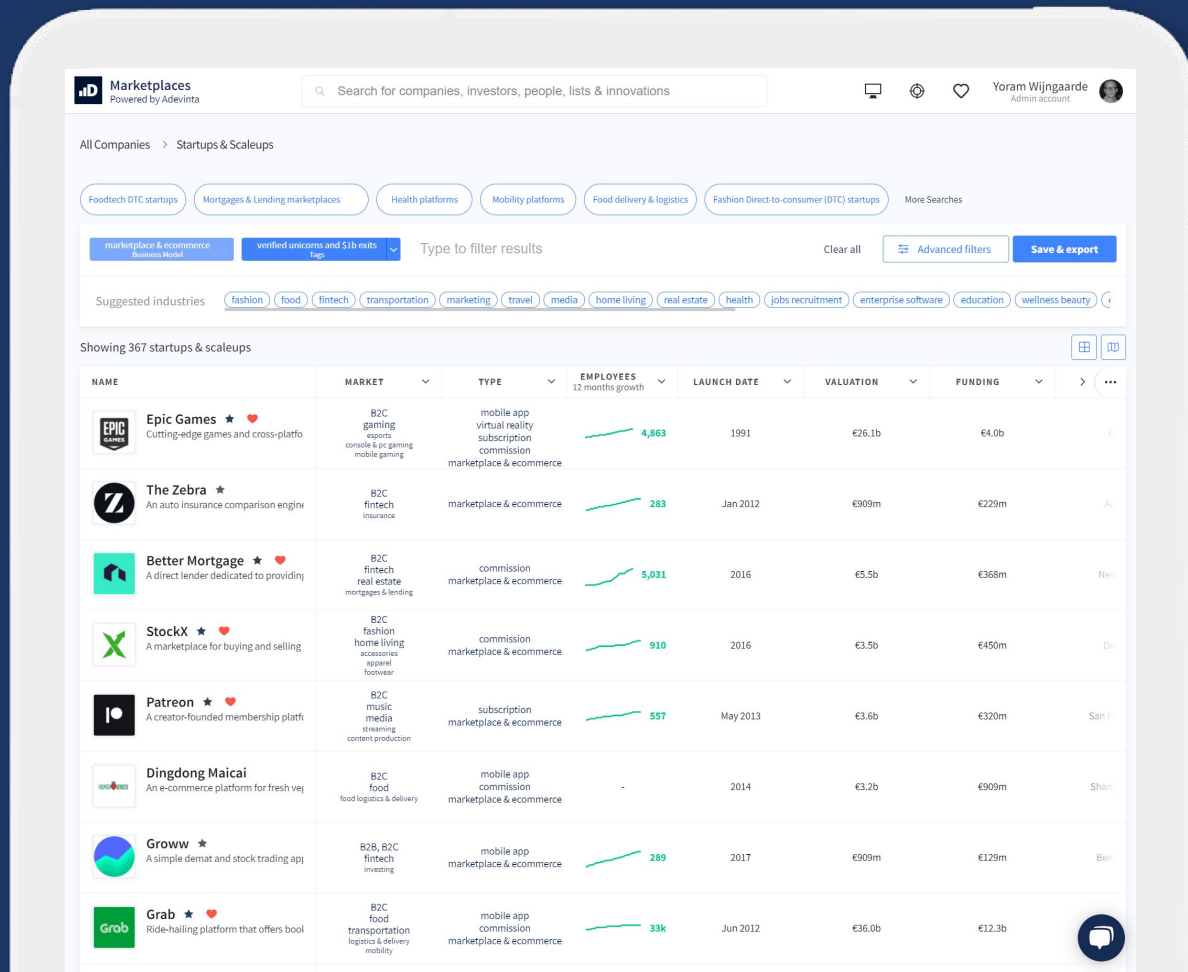


# 370+ marketplace unicorns, with a combined value of \$5.0 trillion

Number of Unicorns and \$1B+ exits by country



[View all unicorns](#)



# Methodology

## Definition of marketplace

Marketplace in this report is a digital platform connecting buyers and sellers. Various models are listed on page 23.

## Venture capital investment

Investment numbers refer to venture capital investment rounds such as seed, series A, B, C, etc and growth equity rounds. It excludes debt or other non-equity funding, lending capital, grants and ICOs.

Buyouts, M&A, secondary rounds, and IPOs are treated as exits and not included in funding data.

Investment rounds are sourced from public reports including press releases, news, filings and verified user-submitted information.

Data as of date of this report.

## Valuation

Company valuations are based on their market capitalisation if public or, if private, latest transaction value, which is either announced or estimated by Dealroom based on market-based assumptions.

Share prices are updated to April 2021.

## Data source

Dealroom's proprietary database and software aggregate data from multiple sources: harvesting public information, user-generated data verified by Dealroom, data engineering. All data is verified and curated with an extensive manual process.

Most underlying data from the report is available online via [marketplaces.dealroom.co](https://marketplaces.dealroom.co)

For more info please visit [dealroom.co](https://dealroom.co) or contact [support@dealroom.co](mailto:support@dealroom.co)

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